

No. 23-

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IN THE  
**Supreme Court of the United States**

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INTEL CORPORATION, EDWARDS LIFESCIENCES  
CORPORATION, EDWARDS LIFESCIENCES LLC,  
*Petitioners,*

*v.*

KATHERINE K. VIDAL, UNDER SECRETARY OF  
COMMERCE FOR INTELLECTUAL PROPERTY AND  
DIRECTOR OF THE UNITED STATES PATENT AND  
TRADEMARK OFFICE,  
*Respondent.*

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ON PETITION FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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**PETITION FOR A WRIT OF CERTIORARI**

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## QUESTION PRESENTED

Congress established inter partes review (IPR) to provide an efficient administrative alternative to litigation for challenging the validity of dubious patents. The Director of the U.S. Patent and Trademark Office (PTO) has authority to decide whether to institute an IPR to review a challenged patent and has delegated that authority to the Patent Trial and Appeal Board. Section 314(d) of Title 35 provides that “[t]he determination by the Director whether to institute an inter partes review ... shall be final and nonappealable.” Petitioners brought claims under the Administrative Procedure Act challenging a PTO rule that has curtailed access to IPR by setting restrictive, non-statutory standards the Board must apply in deciding whether to institute an IPR. Petitioners do not challenge any particular “determination ... whether to institute an [IPR],” but rather seek prospective relief setting aside the challenged rule as contrary to law and arbitrary and capricious. The Federal Circuit held that § 314(d) precludes review of those claims.

The question presented is whether 35 U.S.C. § 314(d), which bars judicial review of “[t]he determination ... whether to institute an inter partes review,” applies even when no institution decision is challenged to preclude review of PTO rules setting standards governing institution decisions.

## **PARTIES TO THE PROCEEDING**

Petitioners Intel Corporation, Edwards Lifesciences Corporation, and Edwards Lifesciences LLC are plaintiffs in the district court.

Respondent Katherine K. Vidal, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, is a defendant in the district court sued in her official capacity.

Apple Inc., Cisco Systems, Inc., and Google LLC are plaintiffs in the district court and respondents in this Court.

## **CORPORATE DISCLOSURE STATEMENT**

Intel Corporation has no parent company, and no publicly held corporation owns 10% or more of its stock.

Edwards Lifesciences Corporation and Edwards Lifesciences LLC have no parent companies, and no publicly held corporation owns 10% or more of their stock.

## **DIRECTLY RELATED PROCEEDINGS**

This petition arises from the following proceedings:

- *Apple Inc. v. Vidal*, No. 2022-1249 (Fed. Cir. Mar. 13, 2023) (affirming dismissal in part and reversing in part);
- *Apple Inc. v. Vidal*, No. 5:20-cv-6128 (N.D. Cal. Dec. 13, 2021) (granting motion to dismiss).

Counsel for petitioners are not aware of any other proceedings that are directly related to this case within the meaning of Rule 14.1(b)(iii).

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ON PETITION FOR A WRIT OF CERTIORARI TO THE  
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Intel Corporation, Edwards Lifesciences Corpora-  
tion, and Edwards Lifesciences LLC respectfully peti-  
tion for a writ of certiorari to review the judgment of the  
U.S. Court of Appeals for the Federal Circuit.

**INTRODUCTION**

Disregarding the Administrative Procedure Act’s  
“strong presumption that Congress intends judicial re-  
view of administrative action,” *Bowen v. Michigan  
Acad. of Family Physicians*, 476 U.S. 667, 670 (1986),  
the Federal Circuit in this case stretched the judicial-re-  
view bar in 35 U.S.C. § 314(d) far beyond its text to hold  
that standards the U.S. Patent and Trademark Office

(PTO) adopts to govern institution of inter partes review (IPR) are immune from judicial review—even if those rules directly contravene the institution standards Congress imposed by statute or are as arbitrary as a coin flip. The decision gives the PTO free rein to adopt unlawful institution standards that undermine the patent system with no judicial oversight, in sharp conflict with this Court’s precedent.

Section 314(d) provides that “[t]he determination by the [PTO] Director whether to institute an inter partes review ... shall be final and nonappealable.” This case involves no challenge to any “determination ... whether to institute an inter partes review.” Petitioners instead seek prospective relief to set aside a rule establishing standards for institution—known as the “*Fintiv* rule”—that has severely curtailed access to IPR in cases where an IPR petitioner challenges the validity of patent claims that are also at issue in district court litigation. Petitioners allege that the rule violates the America Invents Act of 2011 (AIA), which expressly permits IPR to proceed in parallel with pending litigation involving the same patent. Petitioners further allege that the rule is arbitrary and capricious in violation of the Administrative Procedure Act (APA) because it rests on irrational factors and produces irrational outcomes that undermine the patent system. With barely a nod to the text of § 314(d) or the presumption of reviewability, the Federal Circuit held those claims nonjusticiable, applying a broad “unreviewability principle” that bars judicial review of “any challenge ... where the invoked provisions of law directly govern institution” of IPR. App. 14a; *see* App. 13a-17a.

That decision risks foreclosing judicial oversight of any PTO rule governing institution of IPR—a procedure Congress saw as vital to the strength of the patent

system. Although this Court has denied that § 314(d) “enable[s] the agency to act outside its statutory limits,” *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359 (2018) (quotation marks omitted), the Federal Circuit’s decision permits exactly that—clearing the way for the PTO to adopt any institution standards it prefers, no matter how plainly they contradict the AIA provisions dictating when IPR is or is not available, and no matter how irrational or absurd the consequences.

Those concerns are not hypothetical. The *Fintiv* rule, for example, severely restricts access to IPR precisely where Congress deemed it most important—as an efficient mechanism for challenging questionable patents asserted in litigation. And that is just the tip of the iceberg. In the wake of the Federal Circuit’s decision, the PTO has already identified several potential new institution rules it is considering adopting, many of which are irreconcilable with the statute Congress wrote. The Federal Circuit’s decision risks cutting off all judicial oversight of the lawfulness of those measures and any others the PTO might prefer in the future.

Nothing in § 314(d) or this Court’s precedent justifies that result. The Federal Circuit’s decision conflicts with numerous decisions of this Court and other circuits holding, consistent with the presumption of reviewability, that statutory provisions precluding judicial review of specific agency decisions do not bar review of other administrative actions or rules that fall outside the text of the statutory bar. Even where Congress has expressly insulated a specific agency determination from judicial review, standards the agency adopts to govern that determination remain subject to review. *E.g.*, *Department of Homeland Sec. v. Regents of Univ. of Cal.*, 140 S. Ct. 1891, 1907 (2020); *Bowen*, 476 U.S. at 675-681. The Federal Circuit’s decision also conflicts with this

Court’s precedent interpreting § 314(d). In *SAS*, the government argued—just as the Federal Circuit held here—that § 314(d) “foreclos[es] judicial review of any legal question bearing on institution of [IPR].” 138 S. Ct. at 1359; *see also* App. 14a (reading § 314(d) to bar review of any challenge “focus[ed] directly and expressly on institution standards”). This Court rejected that assertion and saw no bar to reviewing a PTO rule allowing “partial institution” of IPR, even though that review turned heavily on the interpretation of statutes governing institution. *SAS*, 138 S. Ct. at 1355-1357.

As this Court has made clear, § 314(d) protects the PTO’s discretion over institution of IPR by insulating its exercise from judicial review in particular cases. It does not allow the PTO to change the rules of the game for all cases in a legislative manner, free from judicial oversight. This Court’s intervention is needed to prevent the Federal Circuit’s misinterpretation of § 314(d) from undermining the patent system and eroding the presumption that courts are available to review the lawfulness of administrative action.

#### **OPINIONS BELOW**

The Federal Circuit’s decision (App. 1a-25a) is reported at 63 F.4th 1. The district court’s decision (App. 27a-39a) is unpublished but available at 2021 WL 5232241.

#### **JURISDICTION**

The Federal Circuit entered judgment on March 13, 2023. App. 1a. On June 5, 2023, the Chief Justice granted petitioners’ application to extend the time for filing a petition for a writ of certiorari up to and including



August 10, 2023. This Court has jurisdiction under 28 U.S.C. § 1254(1).

### **STATUTORY PROVISION INVOLVED**

Section 314 of Title 35 of the U.S. Code provides in relevant part:

(d) NO APPEAL.—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.

### **STATEMENT**

#### **A. Legal Background**

##### **1. Inter partes review**

More than a decade ago, Congress became “concerned about overpatenting and its diminishment of competition.” *Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1374 (2020). “[Q]uestionable patents [were] too easily obtained and too difficult to challenge.” H.R. Rep. No. 112-98, at 39-40 (2011) (House Report). In response, Congress enacted the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011), to “establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” House Report 40.

Central to the AIA’s reforms was the creation of inter partes review, an administrative process by which the Patent Trial and Appeal Board reconsiders the validity of previously granted patents. 35 U.S.C. § 311; *see Thryv*, 140 S. Ct. at 1370. Congress intended IPR to provide a “cost effective alternative[] to litigation” over patent validity. House Report 40, 48. To that end,

Congress streamlined the issues that could be raised in an IPR trial, set strict schedules to ensure expeditious resolution, and utilized “the expertise of the Patent Office on questions of patentability,” 157 Cong. Rec. S1352 (daily ed. Mar. 8, 2011) (statement of Sen. Udall); *see* 35 U.S.C. §§ 6(a), 311(b), 314(b), 316(a)(11).

The IPR process begins with a petition to institute review to cancel one or more claims of a challenged patent, which may be filed by any party other than the patent owner. 35 U.S.C. § 311(a), (b). The PTO Director has authority to grant or deny such petitions, *id.* § 314, and has delegated that authority to the Board, 37 C.F.R. § 42.4(a); *see id.* §§ 42.2, 42.108. The Director’s (and hence the Board’s) decision whether to institute an IPR is discretionary. The AIA establishes several institution standards and requirements by statute, *see* 35 U.S.C. §§ 311-315, including that the Director “may not authorize an inter partes review to be instituted unless” the petition and the patent owner’s preliminary response indicate “a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition,” *id.* § 314(a). But the AIA imposes “no mandate to institute review.” *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016).

If review is instituted, the Board conducts the IPR and issues a final written decision determining the patentability of the challenged patent claims. 35 U.S.C. §§ 6(b)(4), 316-318. While the Board’s final written decision may be appealed to the Federal Circuit, *id.* § 319, “the determination whether to institute an [IPR]” in the first place is “final and nonappealable,” *id.* § 314(d). The Federal Circuit has thus held that it lacks jurisdiction over all appeals from decisions denying institution—even where the appeal claims the decision applied an

unlawful rule—and that mandamus is likely available only for review of constitutional challenges. *Mylan Labs. Ltd. v. Janssen Pharmaceutica, NV*, 989 F.3d 1375, 1382 (Fed. Cir. 2021), *cert. denied*, 142 S. Ct. 874 (2022).

After the AIA took effect, IPR quickly became an important feature of the patent system by providing a tool to “weed out bad patent claims efficiently.” *Thryv*, 140 S. Ct. at 1374. That was especially true for innovators that are often sued by non-practicing entities seeking millions or billions of dollars in damages for infringement of patents of dubious validity. In such cases, accused infringers could petition for IPR to obtain efficient, expert review of the patent asserted in the district court litigation. Indeed, IPR was “designed in large measure to simplify proceedings before the courts and to give the courts the benefit of the expert agency’s full and focused consideration of the effect of prior art on patents being asserted in litigation.” *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058, 2015 WL 1069111, at \*4 (E.D. Tex. Mar. 11, 2015).

Several provisions of the AIA reflect that expectation by dictating when and how IPR may be conducted when parallel litigation involving the same patent is pending. For example, IPR “may not be instituted if the petition ... is filed more than 1 year after the date on which the petitioner ... is served with a complaint alleging infringement of the patent.” 35 U.S.C. § 315(b). Conversely, then, IPR may be instituted for patent claims asserted in a pending infringement suit where the petition is filed within the one-year window. IPR “may not be instituted” if the petitioner previously “filed a civil action challenging the validity of a claim of the [same] patent.” *Id.* § 315(a)(1). But that bar does not apply if the petitioner’s previous challenge to the patent was

made by counterclaim to an infringement suit. *Id.* § 315(a)(3). And if the petitioner files a civil action *after* petitioning for IPR, the lawsuit is “automatically stayed”—unless and until the patent owner asserts an infringement claim against the petitioner. *Id.* § 315(a)(2)(B).

The AIA thus expressly recognizes that IPR may be instituted alongside parallel infringement litigation involving the same patent, so long as the IPR petition is timely filed. And for years after the AIA’s effective date, the Board routinely instituted IPR in such cases, allowing issues of patent invalidity to be resolved through the more efficient administrative process while district courts regularly stayed parallel infringement suits. *See, e.g., Vishnubhakat et al., Strategic Decision Making in Dual PTAB and District Court Proceedings*, 31 Berkeley Tech. L.J. 45, 78-81 (2016).

## 2. The challenged rule

The PTO has adopted rules governing IPR, including rules that set criteria or requirements for institution. Some standards have been adopted through duly promulgated regulations after notice and comment. *E.g.*, 77 Fed. Reg. 48,680 (Aug. 14, 2012); 81 Fed. Reg. 18,750 (Apr. 1, 2016); 83 Fed. Reg. 51,340 (Oct. 11, 2018); 85 Fed. Reg. 79,120 (Dec. 9, 2020). Others originated from the Director’s designation of certain Board decisions as “precedential,” which makes those decisions “binding” on the Board “in subsequent matters involving similar facts or issues.” Patent Trial and Appeal Board, *Standard Operating Procedure 2 (Revision 10)*, at 11 (Sept. 20, 2018).

This case involves one such rule—the “*Fintiv* rule”—that broke from prior practice and the AIA’s text

by announcing standards forbidding institution of IPR in many situations when litigation involving the same patent is pending in district court. In two decisions, the Board asserted authority to deny institution based on the pendency of overlapping infringement litigation—even if the petition was timely and meritorious—and devised six non-statutory factors the Board would weigh in deciding whether to deny an IPR petition in light of pending infringement litigation. *See Apple Inc. v. Fintiv, Inc.*, No. IPR2020-00019, 2020 WL 2126495, at \*2 (P.T.A.B. Mar. 20, 2020); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, No. IPR2018-00752, 2018 WL 4373643, at \*7 (P.T.A.B. Sept. 12, 2018). Without providing any public notice or opportunity for comment, and without providing any explanation for the action, the PTO Director designated those two decisions as “precedential,” *see* 2018 WL 4373643; 2020 WL 2126495, thereby adopting a binding rule that requires the Board to deny institution when it determines, based on the non-statutory factors, that conducting IPR would be inefficient in light of a pending patent-infringement suit. C.A. App. 1140. For example, among other factors, the rule requires the Board to predict when trial will occur in the district court litigation and compare that date with the Board’s projected deadline for a final written decision, to decide whether to “deny institution in view of an earlier trial date” in the parallel suit. *Fintiv*, 2020 WL 2126495, at \*3.

Following the *Fintiv* rule’s adoption, the Board applied it to deny hundreds of timely IPR petitions—notwithstanding the strength of the merits—based on the pendency of litigation involving the same patent claims. *See* Unified Patents, “Portal,” <https://tinyurl.com/xwmajkyx>; C.A. App. 1140-1143. Many of those institution denials rested on the Board’s faulty speculation as to possible trial dates. In *Fintiv* itself, for example, the

Board applied the rule to deny institution in May 2020 based on its expectation that trial would take place that year. *Apple Inc. v. Fintiv, Inc.*, No. IPR2020-00019, 2020 WL 2486683, at \*3, \*7 (P.T.A.B. May 13, 2020). In fact, trial in the *Fintiv* case was repeatedly postponed until the court granted summary judgment of non-infringement on the eve of trial in 2023, three years later than the Board predicted. In scores of similar cases, the Board has applied the *Fintiv* rule to deny institution of IPR based on erroneous trial-date predictions, only for trial to be rescheduled—often after it is too late for the petitioner to seek rehearing of the institution denial. C.A. App. 1146-1147. Yet when IPR petitioners have argued that the *Fintiv* rule is irrational or unlawful, the Board has responded that it has no authority to consider any departure from the rule. *See, e.g., Supercell Oy v. GREE Inc.*, No. IPR2020-00513, 2020 WL 3455515, at \*7 (P.T.A.B. June 24, 2020); *Apple Inc. v. Maxell, Ltd.*, No. IPR2020-00203, 2020 WL 3662522, at \*7 (P.T.A.B. July 6, 2020). And the Federal Circuit has consistently rejected efforts to challenge those institution denials by appeal or mandamus, even where those challenges asserted that the agency had exceeded its authority or acted arbitrarily. *E.g., Mylan Labs.*, 989 F.3d at 1382.

While this case was on appeal, the PTO Director issued “interim guidance” requiring the Board to continue applying the *Fintiv* rule to deny institution based on parallel litigation unless the petition presents “compelling evidence” that “would plainly lead to a conclusion” that the challenged claims are unpatentable, Memorandum from Katherine K. Vidal to PTAB, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation at 3-5 (June 21, 2022) (June 2022 Guidance)—effectively rewriting the AIA’s requirement that an IPR petitioner show a

“reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). The guidance further indicated that, to avoid denial under the *Fintiv* rule, petitioners should stipulate that they will forgo any defense in the infringement suit that was raised (or could have been raised) in the IPR petition, surrendering their right to challenge patent validity in parallel actions as the AIA allows. June 2022 Guidance 7-8. The PTO is currently considering whether to codify those rules and other proposals that would similarly change the AIA’s standards for institution of IPR. *See* 88 Fed. Reg. 24,503 (Apr. 21, 2023).

### **B. Proceedings Below**

Petitioners are worldwide leaders in developing transformative, cutting-edge technologies that depend on a strong patent system to protect the massive research-and-development investments that fuel their innovation. C.A. App. 1131, 1134-1136. As frequent targets of patent-infringement suits, petitioners regularly file IPR petitions that relate to overlapping infringement litigation. *Id.* at 1131, 1140-1144. Since the adoption of the *Fintiv* rule, however, petitioners have had numerous meritorious IPR petitions denied under that rule based solely on the pendency of parallel patent-infringement litigation. *Id.* at 1140-1144.

Petitioners accordingly brought this suit challenging the *Fintiv* rule as unlawful and seeking to set it aside under the APA. C.A. App. 1132, 1144-1150. Petitioners asserted three claims, two of which are at issue here. First, petitioners allege that the *Fintiv* rule is contrary to law and exceeds the PTO’s statutory authority because the AIA prohibits the Director from denying institution based on overlap with pending patent-

infringement litigation, so long as the petition is filed within the AIA’s one-year window set by 35 U.S.C. § 315(b). C.A. App. 1144-1146, 1148-1149. Second, petitioners allege that the *Fintiv* rule is arbitrary and capricious because it rests on irrational factors—most notably, the Board’s speculation about trial dates—and produces arbitrary outcomes that undermine efficiency, encourage forum-shopping by infringement plaintiffs, and thwart the purposes of IPR. C.A. App. 1146-1150, 1273-1278.<sup>1</sup>

Petitioners’ APA suit does not challenge or seek relief with respect to any decision declining to institute any particular IPR petition. Petitioners seek only prospective relief holding the *Fintiv* rule unlawful, setting it aside, and enjoining the Director (and thus the Board) from relying on the rule or its non-statutory factors to deny institution of IPRs. C.A. App. 1150; *see* 5 U.S.C. § 706(2)(A), (C).

The district court granted the Director’s motion to dismiss, holding that 35 U.S.C. § 314(d) precludes judicial review of petitioners’ claims. App. 37a-39a. The court acknowledged that petitioners do not challenge any “determination ... whether to institute an [IPR],” 35 U.S.C. § 314(d), but instead challenge the agency’s adoption of allegedly “unlawful considerations” governing all institution decisions, App. 35a. But the court concluded that § 314(d) nonetheless bars review because determining the lawfulness of the *Fintiv* rule would require the court to “analyze ‘questions that are closely tied to the application and interpretation of statutes related to’”

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<sup>1</sup> Petitioners separately allege that the *Fintiv* rule violates the APA because the PTO adopted it without notice-and-comment rule-making. C.A. App. 1148, 1150. That claim is not at issue here. *See infra* n.2.



institution decisions. App. 39a (quoting *Cuozzo*, 579 U.S. at 274-275). The district court did not address this Court’s admonition that, notwithstanding § 314(d), “judicial review remains available consistent with the [APA]” when a litigant challenges agency action as exceeding statutory bounds or arbitrary and capricious. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359 (2018).

The Federal Circuit affirmed dismissal of petitioners’ claims that the *Fintiv* rule is contrary to law and arbitrary and capricious. App. 25a. The court acknowledged that those claims “do[] not involve a petition-specific challenge” covered by the text of § 314(d). App. 16a. But the court discerned a broader “unreviewability principle” emanating from § 314(d) and this Court’s precedent that bars judicial review not only of a “determination ... whether to institute an [IPR],” but also of standards the PTO adopts to govern institution decisions. App. 15a-16a. Applying that principle, the court reasoned that petitioners’ claims are barred because they “challenge the content of the Director’s institution instructions” to the Board and “focus directly and expressly on institution standards, nothing else.” App. 13a-14a. The Federal Circuit relied in part on this Court’s decisions in *Cuozzo*, *Thryv*, and *United States v. Arthrex, Inc.*, 141 S. Ct. 1970 (2021), which it construed to apply § 314(d)’s review bar to “any challenge ... where the invoked provisions of law directly govern institution.” App. 14a-15a.<sup>2</sup>

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<sup>2</sup> In holdings not at issue here, the Federal Circuit rejected the Director’s challenge to Article III standing, App. 21a-24a, and held that petitioners’ notice-and-comment claim is not barred by § 314(d), App. 18a-20a (applying *Lincoln v. Vigil*, 508 U.S. 182 (1993)). The Federal Circuit declined to reach the Director’s alternative argument for dismissal that standards governing institution

## REASONS FOR GRANTING THE PETITION

### I. THE FEDERAL CIRCUIT’S DECISION CONFLICTS WITH DECISIONS OF THIS COURT AND OTHER COURTS INTERPRETING ANALOGOUS JUDICIAL-REVIEW BARS

The APA reflects a “strong presumption,” long pre-dating the APA’s enactment, that final agency action is subject to judicial review. *Bowen v. Michigan Acad. of Family Physicians*, 476 U.S. 667, 670 (1986); see 5 U.S.C. §§ 702, 704. “We ordinarily presume that Congress intends the executive to obey its statutory commands and, accordingly, that it expects the courts to grant relief when an executive agency violates such a command.” *Bowen*, 476 U.S. at 681.

That presumption can be overcome “only upon a showing of ‘clear and convincing evidence’ of a contrary legislative intent,” *Abbott Labs. v. Gardner*, 387 U.S. 136, 141 (1967), which must appear in the statute’s “express language” or in “the structure of the statutory scheme, its objectives, its legislative history, and the nature of the administrative action involved,” *Block v. Community Nutrition Inst.*, 467 U.S. 340, 345 (1984). If the statute leaves any “substantial doubt” as to whether Congress intended to preclude review, “the general presumption favoring judicial review of administrative action is controlling.” *Id.* at 351. Policy arguments “cannot override the text” of a judicial-review provision. *American Hosp. Ass’n v. Becerra*, 142 S. Ct. 1896, 1903 (2022). And even where a statute can plausibly be read to impose a broad bar to judicial review, a court should reject such a reading if the statute can naturally be read more narrowly. *Lindahl v. Office of Personnel Mgmt.*, 470 U.S. 768, 779-780 (1985).

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of IPR are “committed to agency discretion by law” under 5 U.S.C. § 701(a)(2). App. 17a n.6.

Applying these principles, this Court has repeatedly held that statutes barring review of specific agency actions do not bar review of agency standards governing those actions. The Federal Circuit’s ruling cannot be squared with that precedent.

In *Bowen*, for example, the plaintiffs challenged a regulation promulgated by the Secretary of Health and Human Services (HHS) establishing a method for determining the amount of certain Medicare Part B benefit awards. 476 U.S. at 668-669. The government argued that review of the rule was precluded by 42 U.S.C. § 1395ff, which had previously been interpreted to limit review of “any determination ... of ... the amount of benefits” due. *Id.* at 675 (quoting 42 U.S.C. § 1395ff(b)(1)(C)). The Court rejected that argument, holding that a provision barring review of the amount determination did not bar review of a rule providing instructions on how the amount determinations should be made. *Id.* at 674-678. The statute “simply d[id] not speak to challenges mounted against the *method* by which such amounts are to be determined rather than the *determinations* themselves.” *Id.* at 675. There was a difference between “an attack on the validity of a regulation” and an attack on the amount determination “on a particular claim,” and only the latter was precluded. *See id.* at 676. Statutory structure and legislative history supported that distinction. Whereas Congress had sought to avoid flooding the courts with “minor matters” concerning benefits payable in particular cases, it was “implausible to think [Congress] intended” to preclude review more broadly of the “Secretary’s administration of [Medicare] Part B,” including the “Secretary’s instructions and regulations” for determining benefits. *See id.* at 678-681.

The same analysis should have controlled in this case. Although 35 U.S.C. § 314(d) precludes review of “the determination ... whether to institute an [IPR],” that provision “does not speak to challenges mounted against the *method* by which such” institution decisions are to be made, “rather than the *determinations* themselves.” *Bowen*, 476 U.S. at 675. And just as Congress might have sought to avoid burdening courts with appeals from institution decisions in specific cases, it is “implausible” to think Congress would have intended to insulate the PTO’s administration of IPR institution standards from all oversight. *See id.* at 676-678. Indeed, this Court has already explained that the purpose of § 314(d) was not to shield unlawful and arbitrary rules from judicial review, but to ensure that final written decisions in completed IPRs cannot be “unwound” based on “some minor statutory technicality.” *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 272 (2016); *see also Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1376 (2020). Nor would Congress have expected § 314(d) to have the effect of barring review of rules governing institution, because Congress did not authorize the PTO to establish rules through adjudications of individual IPR petitions. *See Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1350 (Fed. Cir. 2020) (additional views of Prost, C.J., Plager & O’Malley, JJ.); *see* 35 U.S.C. § 316(a)(2), (4) (requiring PTO to adopt rules governing IPR, including grounds for institution, by “prescrib[ing] regulations”).

The Federal Circuit’s decision likewise conflicts with *Department of Homeland Security v. Regents of the University of California*, 140 S. Ct. 1891 (2020). The plaintiffs there challenged the Secretary of Homeland Security’s rescission of the Deferred Action for Childhood Arrivals (DACA) program, which gave

instructions as to how the government’s discretion to remove unlawfully present noncitizens should be exercised in certain classes of cases. *Id.* at 1901-1902. The government argued that Congress had precluded review of the policy rescission, invoking two provisions of the immigration laws, but the Court held that those provisions applied only to the specific actions addressed by their text and not to general policies governing those actions. The first barred review of “claims arising from ‘action[s]’ or ‘proceeding[s]’ brought to remove an alien.” *Id.* at 1907 (alterations supplied in *Regents*) (quoting 8 U.S.C. § 1252(b)(9)). The Court held that the “targeted language” of that provision did not preclude judicial review where the plaintiffs were “not challenging any removal proceedings” but instead challenged a change in the standards governing the decision whether to initiate removal proceedings. *Id.*; *see also id.* at 1901-1902. The Court also rejected the government’s reliance on a neighboring provision that precluded judicial review of cases arising from “decisions ‘to commence proceedings, adjudicate cases, or execute removal orders.’” *Id.* at 1907 (quoting 8 U.S.C. § 1252(g)). The Court “rejected as ‘implausible’” the government’s interpretation of that provision as “cover[ing] ‘all claims’” or “impos[ing] ‘a general jurisdictional limitation.’” *Id.* Because the challenged DACA rescission was “not a decision to ‘commence proceedings,’ much less to ‘adjudicate’ a case or ‘execute’ a removal order,” the challenge was not barred. *Id.*

The reasoning in *Regents* applies fully here. Section 314(d) precludes review of “[t]he determination ... whether to institute an inter partes review.” As the Federal Circuit recognized, App. 16a, petitioners do not challenge any such determination. That should have been the end of the matter. Section 314(d)’s “targeted language is not aimed at this sort of case,” *Regents*, 140

S. Ct. at 1907, which seeks review of a rule governing institution decisions, not a “determination ... whether to institute an [IPR],” 35 U.S.C. § 314(d).

The decision below similarly conflicts with *McNary v. Haitian Refugee Center, Inc.*, 498 U.S. 479, 492-494 (1991). There, the plaintiffs alleged a pattern of due process violations in the Immigration and Naturalization Service’s administration of the Special Agricultural Worker status-adjustment program. *Id.* at 487-488. The government argued that review was barred by § 210(e)(1) of the Immigration and Nationality Act, which precluded judicial review of “a determination respecting an application for adjustment of status.” *Id.* at 491 (quoting 8 U.S.C. § 1160(e)(1)). This Court rejected that argument, noting that the text of the statutory bar “referr[ed] only to review of ‘a *determination* respecting an application.’” *Id.* at 492 (emphasis supplied in *McNary*). “Significantly,” the Court explained, “the reference to ‘a determination’ describes a single act rather than a group of decisions or a practice or procedure employed in making decisions.” *Id.* The provision therefore barred only “direct review of individual denials of [Special Agricultural Worker] status,” not challenges to the “practices and policies used by the agency in processing applications.” *Id.*; *see id.* at 494 (provision inapplicable where plaintiffs did not challenge “denial of a particular application”).

Again, the same should have been true here. Section 314(d)’s reference to “the determination ... whether to institute an inter partes review,” 35 U.S.C. § 314(d), “describes a single act” respecting an individual request to institute “an” inter partes review, *McNary*, 498 U.S. at 492. Like the provision in *McNary*, § 314(d) does not speak to challenges to the “practice or procedure employed in making [institution] decisions.” *Id.*

Other courts of appeals have followed this Court's precedent in construing similar provisions, in conflict with the decision below. In *American Clinical Laboratory Association v. Azar*, 931 F.3d 1195 (D.C. Cir. 2019), for example, the court considered whether it had jurisdiction to consider an APA challenge to a rule governing HHS's collection of data on certain private-market reimbursement rates, which HHS would use to inform the setting of reimbursement rates under Medicare. *Id.* at 1198. The district court dismissed the complaint under a provision prohibiting judicial review of "the establishment of payment amounts." *Id.* at 1204 (quoting 42 U.S.C. § 1395m-1(h)(1)). The D.C. Circuit reversed, holding that the jurisdiction-stripping provision reached only challenges to specific payment amounts, not challenges to the "practices that precede and inform the setting of those amounts." *Id.* at 1205. "Even where ... a statutory provision expressly prohibits judicial review," the presumption of reviewability "dictate[s] that such a provision be read narrowly." *Id.* at 1204; *see also Lepre v. Department of Labor*, 275 F.3d 59, 64 (D.C. Cir. 2001) (provision precluded judicial review of determination of disability benefits, not challenge to procedures followed in making such determinations); *ParkView Med. Assocs., LP v. Shalala*, 158 F.3d 146, 148 (D.C. Cir. 1998) ("Judicial review of the denial itself is barred. But this bar leaves hospitals free to challenge the general rules leading to denial." (citation omitted)); *Geisinger Cmty. Med. Ctr. v. Secretary of U.S. Dep't of Health & Hum. Servs.*, 794 F.3d 383, 390 n.4 (3d Cir. 2015) (citing *ParkView*). And in line with the presumption of reviewability, courts of appeals routinely find that statutory provisions precluding review of one type of agency action cannot be extended to preclude review of other agency actions falling outside the statutory text. *See*,

*e.g.*, *Hyatt v. OMB*, 908 F.3d 1165, 1170-1172 (9th Cir. 2018) (Paperwork Reduction Act provision that OMB’s “decision ... to approve or not act upon a collection of information contained in an agency rule shall not be subject to judicial review” did not apply to APA suit challenging OMB’s determination that certain collections of information fell outside the Act); *Sharkey v. Quarantillo*, 541 F.3d 75, 85 (2d Cir. 2008) (provision precluding review of “any judgment regarding the granting of” status as lawful permanent resident did not preclude judicial determination of whether petitioner’s status had been adjusted). The Federal Circuit’s decision stretching § 314(d) beyond its targeted language cannot be reconciled with these cases.

The Court should grant certiorari to resolve these conflicts and bring the interpretation of § 314(d) into line with precedent applying the strong presumption favoring judicial review of agency action.

## **II. THE FEDERAL CIRCUIT’S DECISION CONFLICTS WITH THIS COURT’S PRECEDENT APPLYING § 314(d)**

The Federal Circuit’s holding that § 314(d) precludes “any challenge ... where the invoked provisions of law directly govern institution,” App. 14a; *see* App. 13a-17a, further conflicts with this Court’s decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), and misconstrues *Cuozzo* and *Thryv*.

*SAS* rejected a reading of § 314(d) that would bar review whenever institution-related statutes are invoked. In that case, the Court considered a challenge to a PTO regulation authorizing the practice of “partial institution”—*i.e.*, instituting IPR for only some of the patent claims challenged in a petition while denying review for the rest. 138 S. Ct. at 1354; *see* 37 C.F.R. § 42.108(a) (2016)



(“When instituting inter partes review, the Board may authorize the review to proceed on all or some of the challenged claims[.]”). The government argued that the rule was unreviewable, contending that § 314(d) “foreclos[es] judicial review of any legal question bearing on the institution of inter partes review.” *SAS*, 138 S. Ct. at 1359.

This Court rejected that argument, holding that § 314(d) did not apply because the claim at issue did not challenge a determination whether to institute IPR. *SAS*, 138 S. Ct. at 1359. Invoking the presumption of reviewability and emphasizing that § 314(d) “does not ‘enable the [PTO] to act outside its statutory limits,’” *id.* (quoting *Cuozzo*, 579 U.S. at 275), the Court made clear that where a party does not challenge a decision whether to “institut[e] an inter parties review,” judicial review “remains available consistent with the [APA].” *Id.* (quoting § 314(a), (d)).

*SAS* defeats the Federal Circuit’s determination here that § 314(d) bars any suit focused on “institution standards.” App. 14a. Indeed, this Court’s consideration of the validity of the PTO’s partial-institution rule focused extensively on the interpretation and application of institution-related provisions of the AIA. *See SAS*, 138 S. Ct. at 1354-1356 (discussing 35 U.S.C. §§ 311(a), 312(a)(3), 314(a), 314(b), 316(a)(8)). If the Federal Circuit’s interpretation of § 314(d) were correct, *SAS* would have had to come out the other way, because the IPR petitioner’s challenge “invoked provisions of law directly govern[ing] institution,” App. 14a, and resolving that challenge required this Court to interpret and apply “statutory provision[s] ... focused on institution,” App. 16a.

The Federal Circuit attempted to distinguish *SAS*, but its distinction lacks merit. The Federal Circuit

framed *SAS* as a dispute exclusively concerning the interpretation of 35 U.S.C. § 318, which “prescribes the scope of the final written decision,” and having only a “collateral effect” on institution practices. App. 14a. But there was nothing “collateral” about the effects of *SAS* on institution decisions. The central issue before the Court was whether the PTO had the authority to “institute[] review on only some claims ... and den[y] review on the rest.” *SAS*, 138 S. Ct. at 1354. The Federal Circuit’s purported distinction disregards this Court’s extensive reliance on institution-related provisions, *see id.* at 1354-1356, and disregards that this Court’s interpretation of § 318 “had ... the effect of requiring the Director’s decision *whether to institute* a requested review to be essentially an all-or-nothing one,” App. 14a (emphasis added).

The Federal Circuit derived its “unreviewability principle” from *Cuozzo* and *Thryv*, App. 15a-16a, but neither decision supports the Federal Circuit’s analysis, and the Federal Circuit’s overreading of those decisions underscores the need for this Court’s review. *See Thryv*, 140 S. Ct. at 1387 (Gorsuch, J., dissenting) (lamenting confusion over “the meaning of § 314(d)’s review bar”). In both *Cuozzo* and *Thryv*, the patent owners appealed from final written decisions on the ground that IPR should not have been instituted in the first place, thus directly challenging “the determination[s] ... whether to institute” the IPRs in those particular cases. The patent owner in *Thryv* contended that the IPR petition should have been rejected as untimely under 35 U.S.C. § 315(b), *see* 140 S. Ct. at 1371-1373, while the patent owner in *Cuozzo* contended that it was improper to institute IPR on two patent claims not challenged in the petition, *see* 579 U.S. at 269-271. The Court had no occasion in either case to consider whether § 314(d) would bar review of an agency rule establishing standards for institution

decisions where no “determination ... whether to institute” an IPR was at issue.

*Cuozzo* and *Thryv* thus provide no support for extending § 314(d) to bar review in cases not involving any challenge to an institution decision. To the contrary, *Cuozzo* reaffirmed the “strong presumption in favor of judicial review,” emphasizing that it may be overcome only by “clear and convincing indications, drawn from specific language, specific legislative history, and inferences of intent drawn from the statutory scheme as a whole, that Congress intended to bar review.” 579 U.S. at 273 (quotation marks omitted). Indeed, even where an appeal does directly attack a “determination ... whether to institute an [IPR],” 35 U.S.C. § 314(d), *Cuozzo* indicated that judicial review may remain available where the appeal challenges the PTO’s decision as exceeding its statutory authority or as arbitrary and capricious—exceptions that are readily met in this case, 579 U.S. at 274-275; *see also Thryv*, 140 S. Ct. at 1373.<sup>3</sup> This Court’s acknowledgment that § 314(d) might not bar all claims even where an appeal directly attacks a “determination ... whether to institute an [IPR]” confirms that *Cuozzo* and *Thryv* counsel in favor of a narrow reading of § 314(d)—consistent with the presumption of reviewability—and do not support the Federal Circuit’s transformation of that statute into a broad

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<sup>3</sup> As petitioners argued below, even if § 314(d) applied, the APA claims here would implicate this Court’s reservation of jurisdiction over claims that the PTO has engaged in “shenanigans” by acting in excess of statutory jurisdiction or arbitrarily and capriciously. Pet. C.A. Br. 39-46. Moreover, petitioners’ claim that the *Fintiv* rule is arbitrary and capricious does not require interpretation or application of institution-related statutes because it is based on the APA—a statute that is not “related” at all to institution. Pet. C.A. Br. 41-42; *see also Cuozzo*, 579 U.S. at 274-276.

“unreviewability principle” unmoored from the textual focus on a particular institution decision.<sup>4</sup>

### **III. THE QUESTION PRESENTED IS EXCEPTIONALLY IMPORTANT AND WARRANTS REVIEW IN THIS CASE**

Certiorari is warranted to address these conflicts. The Federal Circuit’s decision threatens to undermine the patent system by foreclosing judicial oversight of any rule governing institution of IPR, no matter how arbitrary or unlawful, and erodes the presumption of reviewability as a necessary check on administrative action.

#### **A. Review Is Needed To Ensure That The PTO Does Not Flout Statutory Limits On Its Discretion And The APA’s Requirement Of Reasoned Decision-Making**

The Federal Circuit’s decision threatens to cut off judicial review of PTO rules that rewrite the standards for institution of IPR, leaving the PTO with unchecked ability to gut one of the central reforms of the AIA. The Federal Circuit has already held that it lacks jurisdiction over all appeals from specific decisions denying institution—even where the appeal contends that the decision applied an unlawful or arbitrary rule—and that mandamus may be available to review only constitutional challenges to such decisions. *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021), *cert. denied*, 142 S. Ct. 874 (2022). The decision

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<sup>4</sup> The Federal Circuit suggested that this Court’s decision in *Arthrex* “confirm[s] the principle of unreviewability” that the Federal Circuit derived from *Cuozzo* and *Thryv*. App. 15a. But *Arthrex* considered a constitutional question under the Appointments Clause and said nothing about the scope of § 314(d).

below therefore closes the last door to any judicial review of the substance of standards governing institution, even where the standards contravene the AIA or are arbitrary and capricious.

In this case, the Federal Circuit has insulated from judicial review the *Fintiv* rule—a rule that has restricted the availability of IPR contrary to Congress’s intent and yielded absurd results. As explained, the AIA makes clear that Congress intended the advantages of IPR to be available when pending infringement litigation involves overlapping patent claims, so long as the IPR petition is filed within one year of the infringement complaint, and Congress enacted several provisions in the AIA that specify precisely whether and when IPR may proceed alongside district court litigation. *Supra* pp. 7-8. The PTO Director’s discretion to decide whether to institute IPR in particular cases does not constitute authority to override Congress’s policy judgment or to rewrite those provisions of the AIA. But by foreclosing judicial oversight, the Federal Circuit has given the PTO free rein to do just that, unleashing a host of pernicious consequences.

Within a short time after the *Fintiv* rule’s adoption, the Board applied it to deny hundreds of IPR petitions, even where the petitioners had presented meritorious challenges to the patents at issue. Many of those denials rested on the Board’s erroneous speculation about when trial might occur in the parallel district court litigation. *Supra* pp. 9-10. One study found that 70 percent of infringement trials in the Western District of Texas and 100 percent of trials in District of Delaware—the two busiest patent-litigation venues—were postponed after the Board had denied the corresponding IPR petition based on an original trial date. McKeown, *District Court Trial Dates Tend to Slip After PTAB Discretionary*

*Denials* (July 24, 2020). Another study found that the Board's predictions of trial dates were incorrect 95 percent of the time and that the discrepancies between the Board's predicted trial dates and the actual trial dates were often substantial. Dufresne et al., *How Reliable Are Trial Dates Relied on by the PTAB in the Fintiv Analysis?*, 1600 PTAB & Beyond (Oct. 29, 2021). In such cases, the rule often irremediably deprived the accused infringer of the expeditious patentability review that IPR was intended to provide. *Fintiv* itself provides a telling example. The Board applied the newly adopted rule to deny institution in May 2020 based on the predicted trial date. Trial was then rescheduled repeatedly until summary judgment of non-infringement was granted on the eve of trial three years later, in June 2023. Had the Board been free to institute IPR in 2020 without the constraints of the *Fintiv* rule, the parties and the court could have been spared years of litigation delay and expense.

In response to the *Fintiv* rule, IPR petitioners have been compelled in many cases to stipulate that they will not pursue overlapping invalidity arguments in both the district court litigation and the IPR, even though the AIA entitles them to do so. See U.S. Patent and Trademark Office, Patent Trial and Appeal Board Parallel Litigation Study 7-8, 16, 27-29 (June 2022) (Parallel Litigation Study); Griffis, *Apple's 'Fintiv' Challenge Ups Pressure for Patent Review Rules*, Bloomberg News (Mar. 16, 2023). The PTO codified this practice by designating as precedential the decision in *Sotera Wireless, Inc. v. Masimo Corp.*, No. IPR2020-01019, Paper 12, at 18 (P.T.A.B. Dec. 1, 2020) (designated precedential Dec. 17, 2020), which instituted review based on the petitioner's broad stipulation that it would not assert in district court any grounds "raised or [that] could have been

reasonably raised in an IPR.” Such stipulations increased after *Sotera*, and decisions noting a stipulation rarely denied institution. Parallel Litigation Study 28. And as IPR petitioners have increasingly resorted to such stipulations, the number of denials based on the *Fintiv* rule has declined. *Id.* at 16, 29. But that decline has come at the expense of accused infringers’ statutory rights and the purposes of IPR. To provide a cost-effective alternative to litigation, the AIA encourages IPR petitioners to assert in the IPR petition potentially meritorious patent validity challenges, which of course can also be among the petitioner’s strongest defenses to infringement liability in district court. *See, e.g.*, 35 U.S.C. § 314(a) (requiring petitioner to demonstrate likelihood of success in IPR); *id.* § 315(e)(2) (imposing estoppel consequences where petitioner splits issues between IPR and litigation). Yet the *Fintiv* rule and resulting pressure to stipulate away validity challenges irrationally promote splintering of issues between district court litigation and IPR as the price for encouraging the agency to institute IPRs consistent with the AIA.

The PTO Director’s June 2022 “interim guidance” doubled down on the *Fintiv* rule, declaring that the Board should continue applying the rule to deny institution of IPR based on parallel district court litigation unless the IPR petition presents “compelling evidence” that “would plainly lead to a conclusion” that the challenged claims are unpatentable or stipulates that the petitioner will forgo any defense in the district court that was raised or could have been raised in the IPR petition. June 2022 Guidance 2, 4, 7; *see supra* pp. 10-11. That thwarts Congress’s intent that IPR should be available to review the validity of dubious patents asserted in patent-infringement litigation. Yet the Federal Circuit’s decision leaves courts and parties powerless to bring the

PTO's increasingly arbitrary and unlawful institution standards into compliance with the AIA.

Those consequences threaten to spread far beyond the *Fintiv* rule. The Federal Circuit's holding endangers the patent system more broadly by threatening to shield from review any PTO rule setting standards to govern institution of IPR, no matter how absurd or unlawful. Under the Federal Circuit's approach, for example, the PTO could adopt—yet no court could review—a rule that IPR institution decisions will be made by flipping a coin or that all petitions will simply be denied without individualized consideration. *Cf. Judulang v. Holder*, 565 U.S. 42, 55 (2011) (if agency decided eligibility for discretionary immigration relief “by flipping a coin,” this Court “would reverse the policy in an instant”). The Federal Circuit's precedent interpreting § 314(d) would preclude review by appeal or mandamus of any decision applying such a rule to deny institution in a particular case, and the decision below would risk precluding an APA challenge to the rule itself as a challenge that “focus[es] directly and expressly on institution standards.” App. 14a.

Indeed, shortly after the Federal Circuit entered judgment in this case, the PTO issued an Advance Notice of Proposed Rulemaking (ANPRM), 88 Fed. Reg. 24,503 (Apr. 21, 2023), indicating that it is already considering several additional institution standards that would violate the AIA if adopted but which the decision below threatens to shield from judicial review. *See supra* p. 11. Several of those proposed standards, like the *Fintiv* rule, would impose a policy in favor of denying institution of IPR when overlapping district court litigation is pending. One such proposal would effectively rewrite 35 U.S.C. § 315(b)—which allows an infringement defendant up to one year after service of the



infringement complaint to petition for IPR—by imposing a bright-line rule that a petition must be filed within six months after service of the infringement complaint to avoid denial based on the overlapping litigation. 88 Fed. Reg. at 24,515. But Congress explicitly considered a six-month window for filing the IPR petition and rejected it in favor of the one-year window based on its conclusion that six months was insufficient. *See* 157 Cong. Rec. S1326 (daily ed. Mar. 7, 2011) (Sen. Sessions); 157 Cong. Rec. S5429 (daily ed. Sept. 8, 2011) (Sen. Kyl); *see* S. 23, 112th Cong. Sec. 5(a), § 315(b) (2011) (engrossed bill setting six-month limit). The PTO has no authority to substitute its judgment for Congress’s in that manner, yet the decision below risks allowing the agency to do so with impunity.

Similarly, the PTO is considering a bright-line rule compelling denial of institution where trial is “likely to occur” before the statutory deadline for a final written decision in the IPR. 88 Fed. Reg. at 24,515. Such a rule would override the AIA, which allows IPR to occur alongside parallel district court litigation so long as the petition is timely, and would codify all the absurdities of the *Fintiv* rule given the unpredictability of trial dates. The decision below would leave such a standard unchecked.

Outside the context of parallel litigation, several of the PTO’s proposals would constrict access to IPR in violation of the AIA. For example, whereas the AIA expressly authorizes any “person who is not the owner of [the] patent” to petition for IPR, 35 U.S.C. § 311(a), the PTO is considering a rule that would require the Board to deny any IPR petition filed by “a for-profit entity” that “has not been sued ... or ... threatened with infringement” and is not practicing the patent, 88 Fed. Reg. at 24,508. Whereas the AIA authorizes IPR to

review any patent, without exception, where there is a reasonable likelihood that one or more of its claims is invalid, 35 U.S.C. § 314(a), the PTO is considering a rule that would require the Board to deny institution where the patent is owned by a small business or certain independent inventors, 88 Fed. Reg. at 24,509. And whereas the AIA contemplates that a petition may challenge patent claims challenged in a previous petition and permits the Director to deny such a petition only if it presents “the same or substantially the same prior art or arguments,” 35 U.S.C. § 325(d), the PTO is considering a rule requiring the Board to deny IPR petitions whenever the challenged claim is “substantially the same” as any claim that survived a validity challenge brought by any party with no relationship to the petitioner, 88 Fed. Reg. at 24,510. All these proposals to constrict access to IPR would contravene the AIA. Yet the decision below signals to the PTO that it may adopt any of these proposals without fear that any court could enforce the statutory limits on its authority.

### **B. Review Is Needed To Prevent Erosion Of The Presumption Of Reviewability**

The Federal Circuit’s decision has potential impact beyond the patent system. “[J]udicial review of administrative action is a ‘necessary condition’ for the political legitimacy of the modern administrative state.” Fallon, *Jurisdiction-Stripping Reconsidered*, 96 Va. L. Rev. 1043, 1116 (2010) (quoting Jaffe, *Judicial Control of Administrative Action* 320 (1965)). The presumption of reviewability has long played a crucial role in ensuring that executive agencies “obey [their] statutory commands.” *Bowen*, 476 U.S. at 681; *see id.* at 670 (tracing history of presumption of reviewability). Although Congress can override that presumption, this Court has insisted that

judicial review “will not be cut off unless there is persuasive reason to believe such was the purpose of Congress,” *Abbott Labs.*, 387 U.S. at 140, and that jurisdiction-stripping provisions should be construed narrowly, *e.g.*, *Lindahl*, 470 U.S. at 779-780.

The decision below erodes that presumption, setting a precedent that could extend to numerous regulatory contexts. Questions concerning the proper interpretation of judicial-review bars arise under a wide range of statutes, as *Bowen, Regents*, and similar cases illustrate. *See supra* Section I. For instance, some statutes grant agencies unreviewable discretion over decisions whether to investigate an employer’s labor practices, 8 U.S.C. § 1182(n)(2)(G)(vii), or potential antitrust violations, 15 U.S.C. § 4305(f). Other provisions nearly identical to § 314(d) bar review of determinations by the PTO Director on whether to institute other types of proceedings, such as a derivation proceeding, 35 U.S.C. § 135, or a post-grant review, *id.* § 324, which could be directly controlled by the Federal Circuit’s decision in this case. Like § 314(d), each of these provisions precludes review of a particular determination in a specific case—not of the “method” or “instructions” governing how such determinations are made. *See Bowen*, 476 U.S. at 675-676, 678. It is implausible to conclude that by shielding those decisions from review in individual cases, Congress intended to place the entire administration of important agency programs beyond judicial scrutiny. This Court’s intervention is needed to ensure that lower courts do not extend such bars beyond their text, as the Federal Circuit did here, enabling agencies to wield their expansive authority arbitrarily or in a manner contrary to law.

### C. Review Is Warranted Without Delay

Although the prospect of a rulemaking addressing the *Fintiv* rule and other institution standards could in some circumstances counsel against review, the opposite is true in this case.

For one thing, it has been years since the PTO first asserted its intention to undertake a rulemaking, *see* 85 Fed. Reg. 66,502 (Oct. 20, 2020) (soliciting comments on institution standards), yet even now, the PTO has issued only an “advance” notice of proposed rulemaking, with no assurance that any actual rulemaking is imminent. In the meantime, the PTO has continued to adopt and apply rules restricting access to IPR, like the *Fintiv* rule, by designating decisions of the Board as precedential, evading both the check of public notice and comment and the check of judicial review. *See, e.g., CommScope Techs. LLC v. Dali Wireless, Inc.*, No. IPR2022-01242, 2023 WL 2237986, at \*2 (P.T.A.B. Feb. 27, 2023).

Moreover, as explained, the substance of the ANPRM confirms the need to make clear to the PTO that, if and when it adopts additional rules governing institution of IPR, those rules will be subject to judicial review to ensure their compliance with the AIA and the APA. If allowed to stand, the decision below could embolden the agency—as it appears already to have done—to pursue additional unlawful and arbitrary institution standards.

Finally, the question presented here is not about the substance of the *Fintiv* rule or any other proposal in the ANPRM. The issue is whether those rules or any other institution standards the PTO might adopt in the future are subject to judicial review. That question cannot be the subject of any rulemaking, and it would remain exceptionally important even if the PTO withdrew the

*Fintiv* rule altogether (though it has stated no intention of doing so). Because this case presents an ideal vehicle to review the Federal Circuit’s interpretation of § 314(d), there is no reason to postpone review. Delay would only allow the PTO to continue undermining a central reform of the AIA.<sup>5</sup>

### CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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<sup>5</sup> This case’s interlocutory posture poses no reason to delay review. Interlocutory status is “no impediment to certiorari where the opinion of the court below has decided an important issue, otherwise worthy of review, and Supreme Court intervention may serve to hasten or finally resolve the litigation.” Shapiro et al., *Supreme Court Practice* § 4.18 (11th ed. 2019). The sole issue on remand is whether the PTO violated the APA by promulgating the *Fintiv* rule without notice and comment. Resolution of that issue will not affect the application of § 314(d) or obviate the need for this Court’s review.

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